

SUMMARY ANALYSIS OF AMENDED BILL

Author: Brulte/Lockyer Analyst: Jeani Brent Bill Number: SB 1397

Related Bills: See Prior Analysis Telephone: 845-3410 Amended Date: 04/22/98

Attorney: Doug Bramhall

Sponsor:

SUBJECT: Exclusion/Amounts Received By Victims or Heirs of Holocaust Victims/Swiss Bank Claims

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO Support.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED January 12, 1998, STILL APPLIES.

OTHER - See comments below.

SUMMARY OF BILL

Under the Personal Income Tax Law, this bill would exclude from gross income any amounts received by a Holocaust victim or the heir or beneficiary of a Holocaust victim from a settlement of claims against any Swiss bank for any recovered asset held at the close of World War II.

SUMMARY OF AMENDMENT

The April 22, 1998, amendments revised the bill to provide the exclusion to a victim (or heir or beneficiary) of the Holocaust instead of only a survivor of the Holocaust (or his or her heirs). This change resolved one of the technical considerations addressed in the department's analysis of the bill as introduced January 12, 1998.

In addition, the April 22, 1998, amendments would define "Holocaust victim" as any person persecuted by Nazi Germany or any Axis regime from 1933 to 1945. Also the amendments would expand the types of assets to which the exclusion would apply by defining "recovered asset" as any asset including bank deposits, insurance proceeds, or artwork (and including interest earned on the assets) owned by a Holocaust victim between 1920 and 1945 and not recovered or compensated for until 1995 or after.

DEPARTMENTS THAT MAY BE AFFECTED:

___ STATE MANDATE

___ GOVERNOR'S APPOINTMENT

Board Position:

☒ X ☐ S ☐ O
☐ SA ☐ OUA
☐ N ☐ NP
☐ NA ☐ NAR
☐ PENDING

Agency Secretary Position:

☐ S ☐ O
☐ SA ☐ OUA
☐ N ☐ NP
☐ NA ☐ NAR
DEFER TO _____

GOVERNOR'S OFFICE USE

Position Approved _____
Position Disapproved _____
Position Noted _____

Department/Legislative Director Date
Johnnie Lou Rosas **5/13/98**

Agency Secretary Date

By: Date:

Except for the remaining technical consideration and the Board position included below, the remainder of the department's analysis still applies.

Technical Consideration

For clarification, the terms "heir" and "beneficiary" should be defined. The California Probate Code provides definitions for heir (Section 44) and beneficiary (Section 24), which includes heirs (intestate) and devisees (testate). These definitions could be incorporated by reference to the appropriate Probate Code Section.

BOARD POSITION

Support.

The Franchise Tax Board voted 2-0 at its March 26, 1998, meeting to support this bill. Robin J. Dezember, acting on behalf of Member Craig L. Brown, abstained.